
Chapter 3

The African Development Foundation

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Chapter 3

The African Development Foundation

SUMMARY

- The African Development Foundation (ADF) had a difficult start, first with delayed appointment of the Board of Directors and then with unexpected turnover of top staff resulting in a General Accounting Office (GAO) study of its management capacity.
- After a new president was appointed, ADF developed workable funding procedures that consisted of outreach, grant approval, and monitoring processes.
- Between 1984 and 1987, ADF awarded grants to 114 projects in 19 African countries, distributing a total of \$10.3 million.
- Now that its first grants are nearing completion, ADF has begun evaluating these projects. ADF also awarded research grants to Africans and published public education materials.

THE BEGINNINGS OF THE AFRICAN DEVELOPMENT FOUNDATION

Origins

Congress established the African Development Foundation (ADF) in 1980 in an attempt to counter some of the limitations faced by official development assistance programs such as those of the World Bank and the Agency for International Development (AID). Inadequacies or gaps in official U.S. development assistance that Congress hoped ADF might overcome included: government-to-government programs failed to reach the majority of Africa's poor; standard grants were typically too large to be handled by grassroots organizations; funding approval in established assistance agencies was too slow, cumbersome, and cautious; and Americans and Europeans played too great a role in project design and implementation. Beginning in 1975, the planning unit of AID's Africa Bureau, the private Development Group for Alternative Policies, and the Inter-American Foundation (IAF) played important roles in ADF's establishment, as did legislators who proposed it in five bills between 1977 and 1980 (1,28). The Foundation's legislation was modeled on IAF's, passed 11 years earlier. Both foundations have similar purposes and are based in congressional mandates "to enable the

poor to participate in the process of development" (ADF, Title V, Section 502). While some people have advocated ADF as an alternative to other U.S.-funded development programs, the International Security and Development Cooperation Act of 1980 established ADF to "complement" them (43).

Getting Started: 1980 to 1984

President Carter signed the legislation establishing ADF into law in December 1980, but this was followed by a long delay in appointing ADF's Board of Directors. The legislation specified that the seven-person Board, comprised of five persons from the private sector and two from government agencies concerned with African affairs, be appointed by the President with the consent of the Senate. The Reagan administration delayed naming this board and did not include funds for ADF in the budgets sent to Congress from 1981 through 1983. Congress, however, appropriated \$2.0 million in fiscal year 1981, \$2.0 million in fiscal year 1982, and \$2.0 million in fiscal year 1983 (table 3-1). These funds were earmarked in the Sahel Development Fund and were available to ADF regardless "of the year appropri-

Table 3-1.—ADF Appropriations and Obligations: Fiscal Years 1981-1988
(in millions of dollars)

	1981	1982	1983	1984	1985	1986	1987	1988
Appropriations ¹	0.500 ²	2.000	2.000	3.000	1.000	3.706	6.614	7.000
Obligations				1.713	4.493	5.995	6.565 ⁴	
Grants ⁵				0.838	2.617	3.442	3.902	
Project Development and Evaluation ⁶				0.000	0.585	1.080	1.259	
Administration and Management				0.875	1.291	1.473	1.404	

NOTES: ¹ ADF did not become operational until 1984. Funds appropriated from FY 1981 to 1983 were no-year funds and were carried over for use in future years.

² \$2 million was appropriated but \$1.5 million was rescinded.

³ This table includes actual obligations, so projections for fiscal year 1988 are not listed. OTA used figures in this table to calculate the proportion of non-grant costs for fiscal years 1986 and 1987. ADF, however, now divides obligations into two, not three, categories and calculates its administrative costs based on the two-part classification.

⁴ \$40,000 of the FY 87 appropriations was not obligated and was returned to the U.S. Treasury.

⁵ A project has all its funds placed in the obligation line the fiscal year the grant agreement is signed (e.g., the funding for a 5-Year project signed in 1986 appears only under 1986). The grant line includes funding commitments for:

- projects (new commitments);
- amendments to previously committed projects: 12 totaling \$364,449 in 1986 and 47 totaling \$627,231 in 1987;
- research grants: five totaling \$250,000 in 1986 and two totaling \$58,939 in 1987; and
- cooperative agreements, which are principally for African Country Resource Facilitators, eight totaling \$144,975 in 1987.

⁶ The project development and evaluation line includes costs for contractors, including African Regional Liaison Officers, providing technical assistance and appraising, monitoring, and evaluating projects.

SOURCES: African Development Foundation, 1988. Executive Office of the President, Office of Management and Budget, *Budget of the United States Government FY 1986, 1987, 1988, Appendix* (Washington, DC: U.S. Government Printing Office, 1985, 1986, 1987).

ated ("no year" funds). Congress rescinded \$1.5 million of the fiscal year 1981 appropriation, but retained \$0.5 million in startup funds. Thus, \$4.5 million in ADF funds was carried over to fiscal year 1984, by which time Congress had pressured the administration to name ADF's Board of Directors and appropriated an additional \$3 million for fiscal year 1984. The attendant political compromises set the stage for the new organization's difficult birth.

The Senate approved the administration's nominees for the ADF Board in October 1983. All seven board members were Republicans. The government officials named were the Undersecretary of State for African Affairs and AID's Assistant Administrator for Africa. Four of the five representatives of the private sector were businesspeople, and none had African experience. The Board appointed Constance Hilliard as president and Reginald Petty as vice-president. Pressures from the Hill to begin funding projects in Africa grew quickly. Tensions within the staff and between the staff and Board led to the resignations of the president and vice president in April and May 1984, which paralyzed the Foundation's activities and generated unfavorable press coverage about the delays in awarding grants (34). As a result, in June 1984 the Foreign Operations Subcommittee of the Senate Appropriations Committee requested a

General Accounting Office (GAO) study to determine if ADF had the management capacity to carry out its mandate (ch. 2).

ADF's Board appointed Leonard Robinson, Jr., acting President starting June 1, 1984. As Deputy Assistant Secretary of State for African Affairs, he had represented the State Department at two ADF Board meetings. Robinson was a former Peace Corps volunteer and Associate Country Director in India. He appointed Percy Wilson vice-president. Wilson had directed community-level domestic anti-poverty programs and been Peace Corps Director in Sierra Leone. The organization was set up quickly under pressure: staff was hired on 6-month contracts, funding criteria and procedures were developed, and work began on a five-year plan while GAO auditors were in the office.

An explicit directive from key congressional members to fund projects before the end of the fiscal year took overwhelming precedence. Six consultants with experience in African development programs attended a week-long workshop in Washington in late July then went to Africa to bring back project proposals. Most of a variety of projects proposed by U.S. private voluntary organizations (PVOS) were rejected because they were not designed or con-

trolled by Africans. The consultants evaluated other already-submitted proposals in the field and relied on personal African contacts in those countries where they had worked before to seek additional fundable projects. They returned in 6 weeks with 86 proposals; 36 were presented to the newly formed staff Project Review Committee. In September 1984, just prior to the informal congressional deadline, the Board awarded grants to 11 projects totaling \$838,000: five from Lesotho, two from Botswana, and one each from Mali, Niger, Liberia, and Zambia.

By the end of September 1984, 11 permanent staff members had been hired, 6 others had been selected, and Robinson had been appointed president. The GAO report concluded that ADF was "putting into place the staff and administrative capacity to manage a grant program" (41). But GAO questioned aspects of ADF's operations, especially the fact that they projected their annual budget to rise to \$96 million by 1990. (This initial projection was later revised to \$30 million in ADF's Five Year Plan.) Subsequently, Congress reauthorized ADF through 1990.

Growth: From 1984 Through 1987

Expansion to 19 Countries

The Foundation was able to expand considerably from 1985 through 1987 due to the accumulation of "no year" funds and new appropriations. After publicizing the availability of funds for grassroots organizations, ADF received hundreds of proposals and in fiscal year 1985 awarded grants to 42 projects in 13 countries worth \$2.6 million. In fiscal year 1986 ADF awarded about \$2.8 million in grants to 33 more projects, expanding to 19 countries. The Foundation consolidated its program in fiscal year 1987, funding 28 new projects in the same countries for \$3.1 million. In addition, the Foundation awarded nearly \$1.0 million in 59 amendments to previous grants in 1986 and 1987 (table 3-1). In its first 4 years, then, the Foundation awarded \$10.3 million to 114 projects in 19 countries.

Which countries received funding depended in large part on the personal contacts of ADF staff because the Foundation did not have cri-

teria to select new countries. Also, selection depended on the Board's decision that ADF would fund projects only in countries maintaining diplomatic relations with the United States (see box 3-1).

The expansion of ADF's program in Africa required ADF to develop relationships with African governments. ADF only funds legally recognized organizations in Africa and it informs the appropriate African governments, through their embassies in Washington, of each grant. Although the Foundation does not allow African governments to decide who receives ADF funds, applicants often must obtain host country permission to receive outside funding.

In most countries, ADF representatives made initial contacts with African officials to inform them of ADF's program, but they did not attempt to reach a formal agreement specifying how ADF will operate in each country until later. Since mid-1986 ADF has given priority to negotiating accords with the governments of those countries where ADF has active programs. At that time ADF decided not to begin funding in any country until an accord is negotiated. By the end of 1987, accords or written understandings have been reached with nine governments (none in Southern or East Africa).⁷ The terms of the accords include a limited role for the national government in project implementation and exemptions from certain African customs payments by grant recipients. These are similar to the agreements most U.S. PVOS negotiate with African governments before beginning work there. The Foundation reached informal understandings with Benin and Congo/Brazzaville through an exchange of letters in lieu of a formal accord.

The Foundation's recognition of the need for a more systematic approach is reflected in its recent plan to collect and analyze information to design a funding strategy for each country. A manual on how to prepare Country Assessment Profiles was developed in 1986 and Profiles have been completed for Tanzania, Sene-

⁷Of these, 6 were in countries where ADF funded projects and ADF signed accords with Sierra Leone and Ghana in January and February 1988, respectively.

Box 3-1.—ADF's Place in U.S. Foreign Assistance

Congress established ADF as a public corporation, independent of other U.S. foreign assistance agencies and operating outside the constraints of short-term U.S. foreign policy considerations (13). One rationale for ADF's independence is that ADF primarily funds non-governmental, grassroots organizations, unlike most official U.S. programs which provide resources to foreign governments. Also, Congress anticipated that independence would:

- give the Foundation broader access to local groups,
- decrease the likelihood that political pressures from the United States or from host governments would override other considerations in making funding decisions, and
- build confidence in ADF as a reliable partner in long-term development.

The Foundation, with the support of its Board, has demonstrated its independence by funding projects in several countries with which the U.S. government disagrees. For example, ADF continues to fund grassroots groups in Zimbabwe even though AID froze funding there in 1986, and ADF still accepts proposals from Benin, where AID programs are ending also. The Foundation began funding projects in Tanzania in 1986, before AID's program was resumed in 1987 (aid, except for food aid, had been cut off in 1984 under the Brooke Amendment because Tanzania had fallen more than a year into default in repayment of loans to the United States). The Foundation has understandable reasons, such as the personal safety of its staff, for not funding projects in some African countries with which the U.S. government has had major disagreements, such as Angola and Mozambique.

Congress also intended ADF to be a complementary participant in U.S. development assistance. As such, ADF does not act inconsistently with long-term foreign policy considerations. It is wholly funded by Congress, two administration officials sit on its Board of Directors, and it funds projects only in countries which have diplomatic relations with the United States. In addition, most of the 19 countries within which ADF operates also participate in other U.S.-funded development assistance:

- 19 have AID programs,
- 15 have Peace Corps volunteers, and
- 19 have received Public Law 480 food commodities in the past 2 years.

ADF operates more like U.S. and European PVOS and private foundations than official assistance programs such as AID and the World Bank in project scale, grant size, and operating style. Many U.S. PVOS take part in official U.S. foreign assistance because they receive U.S. funds; a minority of U.S. PVOS, however, currently fund self-help programs of African organizations in a similar way to ADF. This dichotomy—ADF's being an official program but acting in some ways more like a private one—sometimes confuses representatives of official and private programs in the United States and in Africa. This distinction also provides the Foundation with an advantage in developing a special niche in U.S. foreign aid,

gal, Cameroons, Sao Tome, Congo, and Cape Verde. (ADF has funded projects only in the first three countries.) First, consultants in the United States prepare a report on the geography, history, population, government, and economy of the particular African country. A team of senior ADF staff is briefed on this material, then travels to Africa to interview officials in the ministry responsible for foreign affairs, other African officials, and representatives of PVOS, training and research institu-

tions, and other development assistance organizations. The ADF team identifies funding gaps, obtains other information relevant to ADF's funding program, and verifies information already received. Another part of the profile deals with the "viability and safety of operating" in the country. Ideally, profiles would be prepared before ADF begins funding in a country, but they were not done before ADF entered the first 19 countries.

Increasing ADF Staff in Washington and Africa

To expand ADF's funding program to 19 countries, the president enlarged the Foundation's staff to 27 full-time employees, 6 contractors, 1 intern, and 4 work study students in Washington and 15 full- and part-time staff in Africa by the end of fiscal year 1987. Now, four main functional offices are based in Washington, D. C.:

- Office of the President, which includes a president, vice president, general counsel, congressional liaison, and assistants;
- Office of Administration and Finance, which includes a director, budget and fiscal officer, personnel officer, and assistants;
- Office of Program and Field Operations, which includes a director, five regional Foundation Representatives, a grants coordinator, and three program assistants; and
- Office of Research and Evaluation, which includes a director, research associates, and an information officer.

The Foundation's 1985 Five Year Plan envisioned establishing five regional field offices in Africa to assist in monitoring projects. In 1986, ADF implemented that plan when it selected the first African Regional Liaison Officers (RLOS). According to their job descriptions, Regional Liaison Officers will help monitor projects; verify grantees' compliance with grants' conditions and reporting requirements; work with auditors, technical assistance providers, evaluators, and African officials; conduct outreach to potential applicants; and carry out administrative functions such as logistical support for ADF Washington staff visits. The Regional Liaison Officers perform these duties as assistants to the Washington-based Foundation Representatives. Currently, ADF has contracted four full-time Regional Liaison Officers based in Nairobi, Kenya; Dakar, Senegal; Harare, Zimbabwe; and Yaounde, Cameroon. Each has a small office and travel budget.

The Foundation began to select African personnel to serve as Country Resource Facilita-



Photo credit² ADF/Kerry Hanrahan

Africans help implement ADF's funding program in Africa. Besa Amenuvor (ADF's Country Resource Facilitator (CRF) for Ghana), Leonard Floyd (ADF's Washington-based Foundation Representative), and Koffi Adaba (CRF for Togo) were among those attending a 1988 conference in Togo for ADF's regional staff.

tors (CRFS) in 1987 on a part-time basis due to the difficulty and expense of travel within Africa and the wide distances between grantees. By November 1987, ADF had signed cooperative agreements with 11 Country Resource Facilitators.* The Country Resource Facilitators' primary responsibility is to facilitate the provision of technical assistance to funded groups. In reality, the Country Resource Facilitators also function as assistants to the ADF's Washington-based Foundation Representatives. The addition of Country Resource Facilitators was not envisioned in ADF's Five Year Plan. Therefore, the Foundation has re-evaluated the roles of the Regional Liaison Officers and plans to merge the regional and country positions by 1990.

ADF complements its full-time staff by hiring African and American consultants on a contract basis. For example, 72 contracts were awarded in fiscal year 1987 for project evaluations, and monitoring, translation, technical assistance, research, and administrative functions.

²By February 1988, ADF had signed cooperative agreements with 14 Country Resource Facilitators.

This growth in the Foundation's staff has been slower than was projected in the Five Year Plan and than was suggested in its enabling legislation, in part because appropriations have been lower than anticipated. The 1980 law set generous staff limits: 25 during the first year, 50 during the second, and 75 thereafter. The Office of Management and Budget, with authority to approve new staff positions, subsequently set ADF's limit at 27 full-time positions (FTEs).³

Although the size of the Foundation's staff has grown more slowly than expected, its increase has been larger than the relative increase in the number of grants and amount awarded. Consequently, ADF has been criticized for its staff size, relatively high salary levels, and substantial travel costs. Congressional staff and others have expressed concern regarding the high ratio of administrative and other operational costs in relation to grant commitments, estimated by OTA to be 42 percent in fiscal year 1986 and 43 percent in fiscal year 1987.⁴

³ADF has not exceeded this level. By February 1988, its staff consisted of 25 FTE employees, 7 contractors, and 2 student interns in Washington and 4 Regional Liaison Officers and 14 Country Resource Facilitators in Africa for a total of 52. The Country Resource Facilitators, interns and one contractor are part-time.

⁴OTA included in its grants category all project grants, amendments to grants, and research grants. Then OTA compared all non-grant costs to the total amount of money obligated in a given year. ADF, like the Inter-American Foundation, categorizes its costs differently. Beginning in fiscal year 1988 ADF's

Congress has exerted pressure on ADF to reduce its administrative costs. The Foundation responds that its high non-grant costs are justifiable, given expenses needed to establish a new agency, monitor grants in 19 countries and other factors. Also, ADF President Leonard Robinson, Jr., testified that he was attempting to reduce administrative costs to 31 percent for fiscal year 1988 (42).

Setting Up An Advisory Council

The Foundation's authorizing legislation required that ADF set up an Advisory Council of persons knowledgeable about development activities in Africa and that the Board consult with it at least once a year to discuss ADF objectives and activities. The 27-person Council met in March, June, November 1985, and November 1986, and 4 task forces made suggestions regarding 1) concepts of development, 2) ways to educate the public about ADF's work, 3) methods to work with Congress and other U.S. government groups, and 4) means to supplement the Foundation's appropriations with outside resources.

categories are 1) Program Support, or administrative costs and 2) Program Development, which includes grants, African staff, publication expenses, and work by contractors to appraise, monitor, evaluate and provide technical assistance to grantees. The Foundation retroactively estimated its administrative costs at 38 percent in fiscal year 1986 and 35 percent in fiscal year 1987.

ADF'S PROCESSES TO FUND PROJECTS AND ITS PROJECT PORTFOLIO

Outreach

The Foundation spreads information about its program by several methods:

- publications,
- 'meetings in Africa, and
- personal contacts.

ADF's brochure and newsletter, *Beyond Relief*, are especially important information tools. The brochure contains funding criteria and in-

formation on how to apply for grants in English, French, and Portuguese. Other organizations, including Africare and the World Council of Credit Unions, have publicized information about ADF's program in Africa.

Also, ADF staff publicizes its program through meetings with government officials, PVOS, and the media during initial trips to African countries where ADF intends to begin funding. For example, the local press has carried

articles about ADF and African radio and television stations have featured interviews with ADF staff. Following this type of publicity, ADF receives many requests, a large part of which are ineligible, such as requests for individual assistance and scholarships.

In the early days, ADF's most important method of informing African organizations of the availability of funds was via the personal contacts of ADF staff. ADF staff called on people and groups recommended by colleagues, who also helped spread the word about the Foundation. This method of communication remains important, although outreach is becoming more systematic. For example, dissemination of information about ADF's funding program is one purpose of the Foundation Representatives' trips to Africa. The African Regional Liaison Officers, who sometimes visit a neighboring country between Foundation Representative visits, and country representatives also explain ADF's program and procedures.

Once ADF funds several organizations in a country, word often spreads through networks of similar groups. This informal method of outreach becomes more important as additional projects are funded in a country.

Recently, ADF traced how its funded projects originally made contact with the Foundation. Of 102 projects, the greatest number, 35, resulted from Foundation Representative contacts. Another 23 proposals were submitted directly from Africa to Washington. Many projects were referred by others: 19 were referred by U.S. PVOS, 10 by African non-

governmental organizations (NGOS), five by African governments, three by African universities, three from U.S. government programs (AID, Ambassadors Self-Help Fund, Peace Corps), two from Regional Liaison Officers, one each from an international NGO and ADF initiative (6).

The OTA field teams found that an American or European resident in Africa was responsible for linking grassroots organizations with ADF in a quarter of the ADF projects they visited. These "brokers" were a Peace Corps Volunteer, a European volunteer, and an American photographer/writer.

Process for Approving Grants

The Foundation's process for approving grants has been modified only slightly since 1984, although the way the system functions in practice has evolved with the growth of the staff and portfolio (figure 3-1) (2,26). The Foundation Representatives are notified of the amount of funds available for grants in their region at the beginning of each fiscal year. Each is allocated the same amount, about \$700,000 during the past 2 years. They generally prefer to respond to individual proposals without concern about the number of grants to countries within the region. In at least one case, however, the Representative attempted to plan distribution by country within the region. Unallocated funds may be awarded to projects in any region during the final quarter of the fiscal year.

The initial contact between an applicant and the Washington office varies from submission of a sophisticated proposal to sending a simple letter requesting funds. Even with the addition of ADF's African staff, most request letters and applications come directly to Washington, although in a few cases the Regional Liaison Officer has seen the request or spoken with the potential applicant first,

Screening Proposals

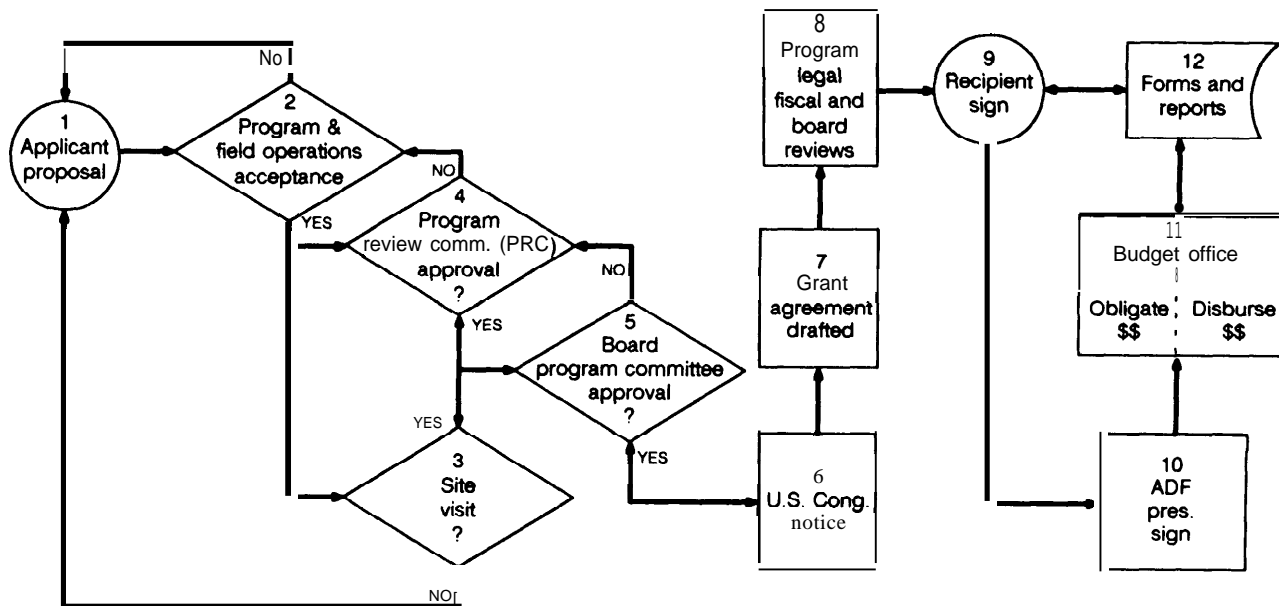
The program assistant, under supervision of the Foundation Representative, first screens proposals and determines whether or not the request meets basic eligibility standards. These

We had to leave and go to Nigeria because of the drought. We were not happy there. [The ADF Representative] said she would help us and now we are back. . . . No one else would help.

Macao bii Gao, Dakoro Herders' Cooperative,
Bundu Eggó, Niger.

Translated and paraphrased from an OTA interview,
Sept. 22, 1987.

Figure 3-1. -ADF Project Approval Process



SOURCE: Teixeira Nash and Curtis Boykin, "The ADF Funding Process or How the Izumi Coop got an ADF Grant!" *Beyond Relief*, vol 1, No 3, November 1985, pp 1-4

eligibility criteria, with the exception of the legislated limit of \$250,000, reflect the ADF Board's evolving policies and interpretation of ADF's mandate: the applicant must be a non-governmental entity (while public entities are specifically allowed in the legislation, ADF Board policy is more restrictive); the beneficiary must consist of two or more individuals or families; large capital projects and scholarships are not eligible. An estimated 85 percent of applicants are screened out at this stage. Since ADF has not systematically recorded the numbers of applicants and reasons for their rejection, it is not known if this percentage has changed over time.⁵

The program assistant informs rejected applicants of the reasons why their proposals were rejected. Then ADF asks remaining applicants to complete ADF's grant application if they have not already done so. Applicants are asked to submit four to five pages of information an-

swering questions about their organization and proposed project. Most organizations funded by ADF submit proposals longer than requested but ADF has funded a few short, handwritten proposals. Proposals are usually submitted in English or French but proposals in other languages are eligible for consideration.

Review

The next step is a review of the proposal by the Foundation Representative, who generally asks applicants for additional information. Usually site visits occur during this stage. Although visits are commonly conducted by the Representative, sometimes a consultant visits the applicant. After reviewing all information, the Foundation Representative decides whether or not to recommend the proposal for funding. Representatives' reasons for rejection usually relate to the project's feasibility and ability of the applicant organization to carry it out. However, ADF has not documented the number of rejections at this stage and reasons for them.

The Representative then prepares a Project Assessment Memorandum (PAM) recommend-

⁵ADF is setting up a system to track numbers of applicants and reasons for rejection beginning in early 1988. A computerized management information system (PROMIS) will track information on applicants and funded projects.

ing the project. The format for this 10 to 15 page memo includes a brief summary of the proposal, the reasons for the recommendation, and brief sections designated for discussing sustainability, replicability, and environmental concerns. The Representative's concerns may be found in a section on conditions to be placed on the grant. In practice, the purpose of the memo is to convince the staff Project Review Committee to approve the proposal for funding.

After clearance by the director of the Office of Field Operations, the PAM and proposal are sent to the staff Project Review Committee, the next step in approval. The committee is headed by the vice president and consists of the president, directors of the three ADF offices, the general counsel, and one Foundation Representative other than the ones presenting proposals for approval at the weekly meeting. Prior to the meeting, members review the proposals and PAMs. During the meeting the Foundation Representative makes a brief presentation and committee members then question the Representative. The Representative defends the proposal and acts as an advocate for it. At the end of the discussion, committee members (but not the Foundation Representative) complete a Project Rating Sheet. An average of 70 points of a possible 100 is required for approval. These rating sheets are kept by the vice president rather than in the project file; however, the representative receives a copy of the meeting minutes. Proposals may be approved, approved with conditions, sent back for further information, or rejected. But the rejection may not be final as the representative can present the same project later if it scores between 65 and 69, either modified, with more information, or with more persuasive arguments. According to the vice president, the Project Review Committee rejects proposals for two major reasons: 1) they seem to be a violation of ADF policy or mandate, or 2) they are not conceptually sound or feasible. Over the past 4 years, the committee has rejected approximately 1 of every 10 projects.

Board Approval

The next step in the process is approval by a majority of the three members of a separate

Project Review Committee at the Board of Directors level, which meets at least monthly. The members of the Board selected for this committee live in Washington, saving travel expenses. One is the U.S. Department of State member, who is usually represented by a delegated foreign service officer. In all but four cases, the Board review committee approved proposals sent to it by the staff review committee. The views of the Board committee, however, have shaped the types of activities and organizations funded beyond this intervention in project approval. For example, their views put forward in formal and informal policies and conversations have affected project proposals before they are submitted to the Board committee.

Early on, the Board rejected the suggestion that it only approve grants greater than \$75,000. The Board committee has approved all grants and amendments to grants for most of ADF's history. However, the Board agreed in early 1987 that grant amendments less than \$10,000 could be approved by the Director of Program and Field Operations, and those between \$10,000 and \$25,000 could be approved by the vice president with concurrence by the president.⁷

Congressional Notification

Next, the project approval process requires congressional notification, as mandated by appropriations laws. The Foundation sends brief summaries of each project to the Senate and House Appropriations Committees and their Subcommittees on Foreign Operations. If ADF hears nothing from the committees within 15 days, the grant can be obligated. No proposal has been rejected at this stage, but delays occur because ADF holds notifications whenever Congress is recessed.

⁷In mid-December, the Board approved a small project funding procedure for similarly funding grants of these sizes. Neither require staff Project Review Committee approval. In addition, the Board agreed to delegate to the president authority for approving projects of less than \$125,000, but limited this authority by requiring a 15 day notification period during which a majority of members of the Board Project Review Committee could disapprove funding.

Signing the Grant Agreement

After the two week wait, ADF's president sends the applicant a letter informing them of the approval and two copies of the Grant Agreement for their signature. The agreement includes the approved proposal and budget and may include conditions which must be met before ADF will award the grant. Announcements of the grant are sent to the ambassador in the United States of the nation concerned, to the U.S. ambassador, and, since 1986, to the AID director.

The average time elapsed between the first submission of the applicant's proposal and final approval (the signing of the Grant Agreement) is 9 months, a period longer than for other organizations that fund projects of comparable size, such as Ford Foundation and IAF (29,32). This period includes an average 3 months between ADF staff approval in the project review committee and the signing of the Grant Agreement. Some of this time may be required for the recipient to consider and comply with conditions on the grant. But this period is followed by another period of several months before the first check is disbursed from ADF. And transfer of funds can take several months to reach Africa because of long delays in disbursement of funds from Washington through the U.S. government budget and fiscal officer based in Paris. In 1987, ADF began to send funds through commercial banks to speed up transmission to Africa.

Process of Monitoring Grants

Monitoring includes program and financial oversight and facilitation of the grantees' efforts by the funder. According to ADF's president, "an appropriate monitoring strategy does not burden or intimidate grantees (but) encourages self-evaluation" (7). While many groups share this attitude, ADF's monitoring approach is unusual in that it gives its grantees much greater control of funds than government funding programs and most U.S. PVOS. Once the ADF Grant Agreement is signed and the first check sent, the recipient group has control of implementation, includ-



Photo credit: ADF/Christine Fowles

Most ADF-funded agricultural projects involve production of crops primarily for sale. The Agricultural Finance Corporation in Zimbabwe received ADF funds to provide loans to small farmers growing coffee.

ing purchasing equipment and hiring technical assistance. Unlike recipients of other U. S.-funded programs, ADF grantees are not required to purchase American-made equipment and materials. This flexibility allows them to purchase equipment that may be less expensive, more readily available, more appropriate, or easier to maintain because of availability of spare parts. For example, ADF has, on behalf of the grantee, disbursed funds directly to a company in a country other than the recipients' in order to purchase imported equipment more quickly.

The ADF monitoring process, however, is similar to most other funders' in that quarterly reports and site visits are required. In the quarterly progress report, the project manager is asked to list project accomplishments and whether or not the activities occurred on time, and to identify any problems, plans to solve them, and those who participated in internal evaluation during the quarter. The quarterly financial report is based on a cash accounting method; recipients must list their expenditures and cash balances at the beginning and end of the quarter. To facilitate recordkeeping, ADF requires project managers to keep ADF funds in a separate bank account. Also, grantees are required to keep ADF funds in non-interest bearing accounts like other recipients of U.S. funds (program income generated from the grant, however, is excused from this requirement). This regulation lowers the value of grant funds, especially when inflation and currency devaluations occur,

Project managers send these reports to Washington, but not to ADF's African staff. Nor do they necessarily keep a copy for themselves. Often these reports are late and important information reaches Washington slowly. The Foundation now asks project managers to request checks 6 weeks before they need them. Thus, in a few cases, a grant's second check may be processed before ADF receives the first quarterly report, reducing ADF's leverage over the projects.

However, ADF exercises some control over grant funds through its monitoring and disbursement practices. Funds are disbursed during the grant period according to a schedule determined by project funding needs. The fact that many projects have high equipment budgets spent in the beginning of the grant period reduces ADF leverage over grant implementation, however. The Foundation uses African accounting firms to conduct reviews and audits at the end of major projects, and mid-term for certain projects. In some cases, ADF asks these firms to check on the accounting methods and capacities of grantees before disbursement of ADF funds. To date, 24 audits have been completed. The Foundation may also provide

grant funds for training and assistance in bookkeeping or financial and general management.

Once the quarterly reports arrive in Washington, they are handled by a number of persons. The Foundation Representative and the budget and fiscal officer each review the quarterly report; the Representative will discuss problems with the budget officer and the director of the Office of Field Operations. The grants coordinator and program assistants are also involved. The Foundation Representative may communicate back with project managers by letter or telex; they also talk by phone with the Regional Liaison Officer about once a week. ADF policy is that their staff visit each funded group in the first quarter of the grant year (in part to make sure that the grantee understands ADF monitoring forms and procedures) and once toward the end of the first grant year. The schedule of visits to Africa sometimes has not permitted this policy to be implemented, however. With the addition of African staff, ADF expects that projects will be visited more frequently.

ADF has been flexible in permitting revision of the activities, schedules, and budgets specified in the Grant Agreement. A number of projects have been extended and/or received additional funds with grant amendments. A few organizations were initially awarded a planning grant and subsequently a larger project grant,

Funds for end-of-project evaluations are provided in the original grant budgets. ADF earmarks 2 percent of the total grant for an external, end-of-project evaluation and another 2 percent for an audit of project funds, although it only requires audits of certain grantees. In addition, ADF includes the expenses of monitoring by its African staff as part of its overall grant commitments (table 3-I),

ADF Portfolio of Funded Projects: September 1984 Through September 1986

At the beginning of this assessment, OTA requested information from ADF on the 86 grants committed through the end of September 1986

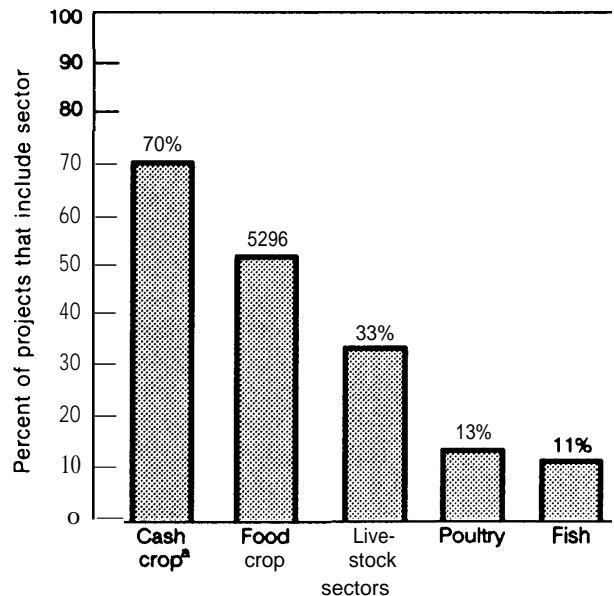
(listed in the ADF *Congressional Presentation FY 1988*, app. A). The total committed to these projects in 19 countries by spring 1987 was slightly more than \$7 million, with the average awarded to each project \$81,500.⁷ Six of these were terminated by ADF by August 1987 for a variety of reasons including substantial problems with project start-up or performance. Others received grant amendments increasing the amount of ADF funds. Zimbabwe and Kenya had the largest number of funded projects: 13 each.

Grants ranged in size from \$700 to a pastoralist in the Sahel for a small trading center to the legal maximum of \$250,000 for a water supply for three communities in Kenya. Twenty-four percent (21 projects) were less than \$25,000; and 38 percent (33 projects) were at least \$100,000. Ten projects were at or near the \$250,000 ADF maximum limit.

Two-thirds of these projects deal with agriculture in a significant way. Of these, most aim to increase food production for sale and domestic consumption (figure 3-2). A large number (70 percent) involve production of cash crops primarily for marketing, such as vegetables, fruit, peanuts, coffee, tea, and rice. One-third involve livestock production and 13 percent involve poultry. Although 89 percent of agricultural projects are production-based, marketing is an important function in at least one-half (figure 3-3). Processing and storage are involved in 28 percent and 22 percent of projects, respectively, while resource conservation activities are only present in 10 percent. The technology profile of ADF's agricultural projects is equally diverse. Perhaps not surprising given the critical shortage of water and irrigation in much of Africa, 78 percent of the projects dealing with crop production include small-scale irrigation systems (figure 3-4). Many include the use of improved seeds (36 percent) or fertilizer (32 percent). More unexpectedly given the resources required to make tractor use sustainable, 36 percent of the agricultural projects

⁷By the end of fiscal year 1987, the average total amount awarded to each project, including grant amendments, had increased to \$90,755.

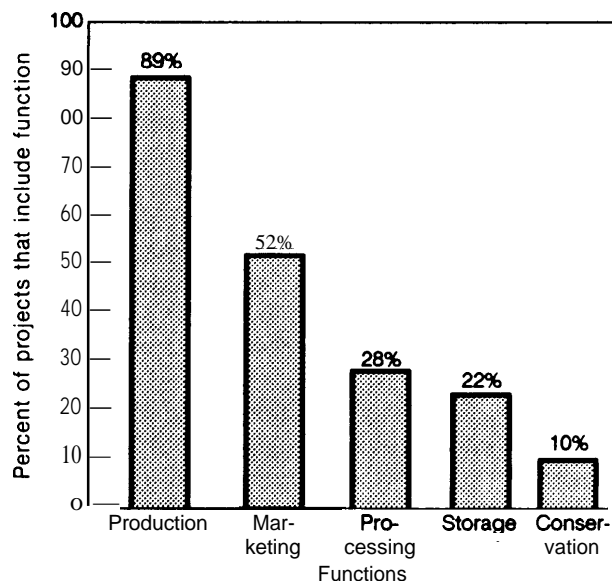
Figure 3-2. -Sectors of ADF-Funded Agricultural Projects



^aCrops grown primarily for sale including vegetables, fruit, peanuts, soybeans, sunflowers, coffee, and tea.

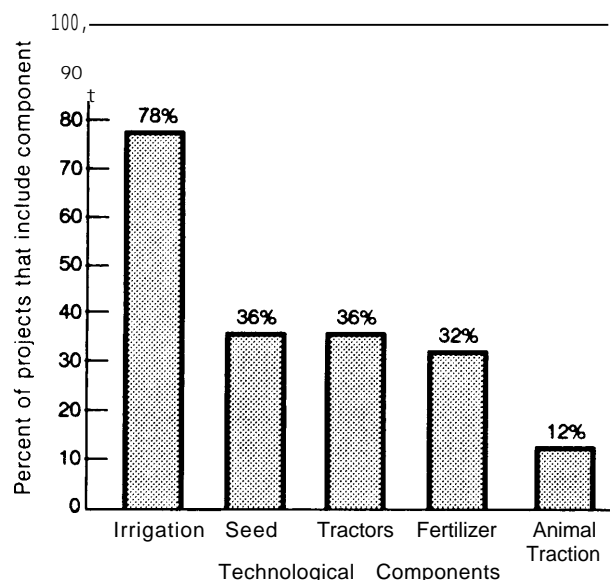
SOURCE: Peter Matlon, "Consultant's Report to OTA," contractor report prepared for the Office of Technology Assessment, August 1987

Figure 3-3. -Functions of ADF-Funded Agricultural Projects



SOURCE: Peter Matlon, "Consultant's Report to OTA," contractor report prepared for the Office of Technology Assessment, August 1987

Figure 34.—Technological Components of ADF-Funded Agricultural Projects •



^aTable refers only to projects involving crop production

SOURCE: Peter Matlon, "Consultant's Report to OTA," contractor report prepared for the Office of Technology Assessment, August 1987

involve the use of tractors, while only 12 percent make use of animal traction.

A majority of the agricultural projects have multiple sectors, functions, and technological components. Nearly two-thirds involve more than one agricultural sector (table 3-2) and function (table 3-3) and 55 percent have more than one technological component (table 3-4). Looking at the sectors in another way, half of the ADF-funded agricultural projects deal with single or various combinations of crops only, 22 percent with animals only, and 27 percent with mixed crop and animal activity.

Forty-four percent of ADF's agricultural projects work with communally-owned farms only; 22 percent only with private farms; and 35 percent with a combination of communal and private farms (25). Several projects support agricultural-related enterprises, e.g., two assist fishers' cooperatives by repairing boat motors. Generally, credit programs use revolving loan funds to support numerous sub-projects, some

Table 3.2.—Number of Sectors of ADF-Funded Agricultural Projects

	Sector(s)	Percent of projects	
One-sector projects	Cash Crop	11	36
	Livestock	9	
	Fish	9	
	Food Crops	7	
Two-sector projects	Cash/Food Crop	32	48
	Cash Crop/Livestock	7	
	Cash Crop/Poultry	5	
	Livestock/Poultry	2	
	Poultry/Fish	2	
Three-sector projects	Cash/Food Crop/Livestock	11	13
	Cash Crop/Livestock/Poultry	2	
Four-sector projects	Cash Crop/Food Crop/Livestock/Poultry	2	2
		99 ^a	99

^aTotal less than 100 percent due to rounding.

SOURCE: Peter Matlon, "Consultant's Report to OTA," contractor report prepared for the Office of Technology Assessment, August 1987

Table 3-3.—Number of Functions of ADF-Funded Agricultural Projects

	Function(s)	Percent of projects	
One-function projects	Production	29	39
	Conservation	6	
	Processing	4	
Two-function projects	Production/Marketing	24	34
	Production/Processing	8	
	Marketing/Storage	2	
Three-function projects	Production/Marketing/Storage	10	18
	Production/Marketing/Processing	6	
	Production/Processing/Storage	2	
	Production/Marketing/Processing/Storage	2	
Four-function projects	Production/Marketing/Processing/Storage	6	10
	Production/Marketing/Storage/Conservation	2	
	Production/Marketing/Processing/Conservation	2	
		101 ^a	101

^aTotal greater than 100 percent due to rounding.

SOURCE: Peter Matlon, "Consultant's Report to OTA," contractor report prepared for the Office of Technology Assessment, August 1987

of which involve agricultural production, and others involve non-agricultural small-scale rural enterprises. The one-third of the ADF grants not classified as agricultural have gone to support non-agricultural activities in rural areas, such as potable water supply projects, or to fund

Table 3-4.—Number of Technological Components of ADF-Funded Agricultural Projects^a

	Technologies	Percent of projects		
One-component projects	Irrigation	42		
	Tractors	4	1	46
Two-component projects	Irrigation/Tractors	8		
	Irrigation/Seeds	8		
	Seeds/Fertilizer	8		32
	Tractors/Animal Traction	8	1	
Three-component projects	Irrigation/Seeds/Fertilizer	8		
	Irrigation/Tractors/Fertilizer	4		16
	Seed/Tractors/Fertilizer	4	1	
Four-component projects	Irrigation/Seed/Tractors/Fertilizer	4		4
Five-component projects	Irrigation/Seed/Tractors/Fertilizer/Animal Traction	4		4
		102b		102

^aIncludes only projects involving crop production.^bTotal greater than 100 percent due to rounding.

SOURCE: Peter Matlon, "Consultants Report to OTA," contractor report prepared for the Office of Technology Assessment, August 1987.

organizations in major cities and regional towns. ADF estimates that about 20 percent of its projects through fiscal year 1987 provide funding to urban organizations.

ADF has awarded two-thirds of its grants for periods of two or three years. Of the 86 grants:

- 15 (17%) were for 1 year,
- 31 (36%) for 2 years,
- 28 (32%) for 3 years,
- 7 (8%) for 4 years, and
- 5 (6%) for 5 years.

Projects differ in their geographic scope. Two-thirds (56 projects) were classified as local, encompassing a village or a number of communities in a given area. Twenty-two percent (19 projects) were regional projects covering a large area within a country; and 13 percent (11 projects) were national in scope.

EVALUATION, RESEARCH, AND PUBLIC EDUCATION: HOW ADF IS SHARING WHAT IT LEARNS

The Foundation's legislated purposes include the development of self-evaluation techniques, support for relevant development-related research by Africans and sharing lessons learned with others in Africa and the United States. Over the past 2 years, ADF has initiated various activities to carry out these functions.

Evaluations of Its Funded Projects by ADF

The Foundation's Office of Research and Evaluation was established in 1986, as envisioned in ADF's Five Year Plan. At the same time, ADF asked three American journalists familiar with African development issues to visit ADF-funded projects in six African countries. Each spent several weeks interviewing project participants and others in two countries; together they visited 18 ADF-funded projects. Their report, *Fulfilling the Mandate: An Assessment Report by Three Development Journalists*, described the concerns, activities, and results

of the projects visited (3). Their conclusions point to the strength of grassroots movements in Africa and the positive potential of ADF's support for them.

A number of ADF's first projects were nearing completion by 1987, thus more formal project evaluations could be carried out. ADF hired a consultant to design a methodology and identified five projects in West Africa and four in Kenya for this evaluation (however, 67 percent or less of the total grant had been disbursed to four of them). The Foundation selected 2 teams of African consultants, several based in the United States, to each spend 3 weeks visiting the projects between April and June of 1987. Earlier, ADF agreed to co-sponsor an evaluation with the Ford Foundation of a fifth Kenyan ADF-funded project, Partnership for Productivity (PPF), because it had received Ford Foundation funding also (31). These evaluations were conducted by and for ADF and in this sense are internal ADF evaluations even though they were external to the projects.

Self-Evaluations by Funded Groups

One of ADF's first efforts to stimulate self-evaluation by project participants was to host an evaluation conference for some 50 representatives of ADF-funded community groups in East and Southern Africa. Participants shared insights and experiences during a 3-day conference in Nairobi in January 1987. They explored problems and potential solutions; made recommendations to ADF about its funding program and procedures; and discussed their ideas about planning development activities, seeking financial and technical assistance, and planning for self-sufficiency to avoid dependence on donors (5,19). A similar conference is planned for representatives of West and Central African ADF-funded projects in early 1988.

The Foundation also is planning to train managers of ADF-funded projects to carry out participatory evaluation within their own organizations. A workshop on this topic was held during the fall 1987 meeting of the Foundation's African Regional Liaison Officers in Washington; follow-up technical assistance with representatives of funded groups is being planned.

ADF has provided funds so that leaders of ADF-funded projects could visit and provide assistance to more recently funded projects. For example, the director of a project that provided technical assistance and credit to small farmers in Kenya was sent to review a similar project starting up in Tanzania and make recommendations to increase its effectiveness. One grant in Botswana includes funds for a visit to a similar ADF-funded project elsewhere.

Research Grants

In 1986, ADF implemented a program to fund research by Africans on development issues related to the ADF mandate.^a The Senior Fel-

lowship program has supported 5 Africans to carry out 18-month research projects in Africa (obligating \$250,000 for these research grants in 1986). Their research topics included rural non-formal education in Uganda, health care in Nigeria, international PVOS in Somalia, food self-sufficiency in Malawi, and a community development program in Cape Verde. Of these five countries, ADF has a grant program only in Somalia. Research funding was suspended in 1987 pending Board approval of a policy paper clarifying funding objectives, criteria, and procedures. An additional \$250,000 is projected for 1988. The Foundation's Office of Research and Evaluation intends to support research on broad issues of relevance to efforts of funded groups.

ADF began a Doctoral Fellowship program in 1987 to support research in Africa by Africans studying for their PhDs in U.S. universities. So far, 2 African graduate students have been funded for 12 months. Their work is examining *ujamaa* policy in Tanzania and refugee policy in Somalia. Three additional fellows are projected for 1988, with a total of \$78,500 for the five, pending approval of the Foundation's research position paper. Proposals for fellowships are screened by an external Research Advisory Review Panel consisting of five experts on Africa (three Africans, two Americans) based at universities in Washington, D.C. before being submitted to ADF's staff Project Review Committee.

Public Education

ADF has made a number of efforts to educate Americans and others about its work in Africa. In addition to its publications, the Foundation's staff have participated in conferences in the United States, Europe, and Africa. ADF has hosted educational visits to its funded projects in Africa by ADF Board members, con-

^aADF's research programs differ from those of the Fellowship Program of the Inter-American Foundation in several ways. While the majority of IAF awards fund field work in Latin America by American graduate and postdoctoral researchers, ADF restricts its program to Africans. In 1982 IAF began granting fellowships to Latin American junior researchers and development professionals to obtain advanced training in U.S. universities;

on the other hand, ADF research grant recipients are not necessarily affiliated with an American university. Unlike ADF, IAF has funded projects of overseas research organizations in its regular grants program. Also, IAF has contracted with developing country research organizations and universities to provide technical assistance and conduct feasibility and evaluation studies of their funded projects to a greater extent than ADF.

gressional staff, and others. In several instances, it has supported visits by its African staff and project leaders to the United States, primarily for their own learning but also to share their experiences with Americans. Also, ADF has provided funds for its project leaders to attend meetings about grassroots development in Africa.

The information officer is responsible for ADF publications: a 12 page newsletter, *Beyond Relief*; a professional journal dealing with issues of grassroots development in Africa, *Advance*; and 1986 and 1987 *ADF-Funded Projects* booklets. Three issues of *Beyond Relief* were published in 1985, one in 1986, and one in 1987. An average of 6,000 copies were distributed in English; one issue, featuring ADF's funding process, was published in French (3,500 copies). The newsletter features articles about ADF-funded projects, ADF programs, and development topics written by Africans, staff, and Board members. The newsletter is distributed free to a diverse readership including development organizations, PVOS, interested members of Congress, the media, Federal agencies, African embassies in Washington, and individuals and academic institutions with an interest in Africa.

The first issue of *Advance*, published by the Government Printing Office in June 1987, contained articles by several ADF-funded project managers, the head of the African Development Bank, a professor at American University, and ADF's director of research and evaluation. The 5,000 copies were distributed to U.S. PVOS, officials in development assistance agencies, African government officials and private organizations, and individuals. Several members of the ADF Advisory Council and the State Department representative on the Board are on the *Advance* Editorial Board. *Advance* will be published with French summaries to facilitate its wider dissemination in Africa. The booklets with short descriptions of ADF-funded projects are available in English and French.

The Foundation also is exploring new ways to inform people about its activities. In two cases visited by OTA, ADF demonstrated its interest in the audio-visual documentation of its projects. Twenty-three percent of the budget for its Dakoro project in Niger is slated for a documentary film. Also, ADF has contracted a Kenyan film company to record the story of an ADF-funded community water supply project.